



**Purchasing Contract
CITY OF AUSTIN
RECOMMENDATION FOR COUNCIL ACTION**

**AGENDA ITEM NO.: 26
AGENDA DATE: Thu 03/23/2006
PAGE: 1 of 2**

SUBJECT: Authorize execution of a contract with PK & L CONSTRUCTION, Austin, TX, (WBE/FR-100%) for the relining of gas turbine stack #4 at Decker Power Plant in an amount not to exceed \$57,330.75.

AMOUNT & SOURCE OF FUNDING: Funding is available in the Fiscal Year 2006-2006 Approved Operating Budget of Austin Energy.

FISCAL NOTE: There is no unanticipated fiscal impact. A fiscal note is not required.

REQUESTING Purchasing **DIRECTOR'S**
DEPARTMENT:for Austin Energy; **AUTHORIZATION:** Vickie Schubert

FOR MORE INFORMATION CONTACT: Martha L. Gaines (512) 322-6583

PRIOR COUNCIL ACTION: N/A

BOARD AND COMMISSION ACTION: N/A

PURCHASING: Lowest bid of two bids received.

MBE / WBE: This contract will be awarded in compliance with Chapter 2-9 of the City Code (Minority-Owned and Women-Owned Business Enterprise Procurement Program). No subcontracting opportunities were identified; therefore, no goals were established for this solicitation.

This contract will provide the labor, equipment, and materials for relining the exhaust stack for the Gas turbine Unit #4 at Decker Power Plant. The stack has an insulation liner to protect the outer structural steel shell from exposure to excessively high temperatures. The insulation in the lower portion of the stack has deteriorated and the engine exhaust is overheating the exhaust stack metal. The high engine exhaust temperatures (825°F) will cause the exhaust stack metal to deteriorate and possibly fail which can cause equipment problems requiring extensive repairs as well as personnel safety issues.

There are four gas turbine stacks at Decker Power Plant. Two of the stacks were relined in 1994 and one was relined in 1997. The average life expectancy of this type repair is approximately 20 years.

MBE/WBE solicited: 0/1

MBE/WBE responded: 0/1



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**BID TABULATION
IFB No. MG06300006
(Relining of Gas Turbine Stack Unit #4)**

<u>Vendor</u>	<u>Total</u>
PK & L Construction Company, Inc. (WBE) Austin, TX	\$57,330.75
Thielsch Engineering Austin, TX	\$82,191.33
Basic Industries of South Texas Corpus Christi, TX	\$99,820.00

PRICE ANALYSIS

- Adequate competition.
- Five notices were sent including one WBE. There are no MBEs available for this commodity. Three solicitations were issued including one WBE. Three bids were received that included one WBE.
- The pricing offered reflects a 16% decrease from the last purchase made in 1997.

APPROVAL JUSTIFICATION

- Low bid.
- Austin Energy concurs with the recommended award.
- Advertised on the Internet.